

A G E N D A

UTAH BOARD OF WATER RESOURCES

Utah Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

September 19, 2003

1:00 p.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - August 7 & 8, 2003

III. CHAIR'S REPORT

IV. FEASIBILITY REPORTS

County

L547 Centerfield Town

Sanpete

V. COMMITTAL OF FUNDS

E097 Bear River Canal Co.

Box Elder

E107 Pioneer Land & Irr. Co.

Weber

VI. SPECIAL ITEMS

E060 Hooper Irr. Co. (Amendment)

Weber

E114 City of South Jordan

Salt Lake

(Bond Ins: App. Summ., Feas. Rep.,
& Comm. of Funds)

VII. FINAL APPROVAL OF BEAR RIVER BASIN PLAN

VIII. APPROVAL OF CLOUD SEEDING FUNDS

IX. DIRECTOR'S REPORT

X. OTHER ITEMS

XI. NEXT BOARD MEETING- October 31, 2003 - Salt Lake City

XII. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Division of Water Resources
Room 314
1594 W. North Temple
Salt Lake City, Utah

September 19, 2003

9:00 a.m.

- | | | |
|------|------------------------------------|----------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Riley |
| II. | REVIEW OF ITEMS FROM BOARD RETREAT | Board/Staff |
| III. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

September 19, 2003

Funds Available for Projects This FY \$ 6,703,000

Projects Contracted This FY

1 Marion Waterworks Co	E053	\$ 320,000	
Contracts for Dam Safety Studies		** 10,000	
Total Funds Contracted			\$ 330,000
Funds Balance			\$ 6,373,000

Projects with Funds Committed

1 Lake Shore Irr Co	E106	\$ 141,000	
* 2 Pioneer Land & Irr Co	E107	90,000	
* 3 Bear River Canal Co	E097	489,000	
4 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant ** 4,000	
5 Consolidated Sevier Bridge Res Co	C023	Grant ** 3,625,000	
6 New Escalante Irr Co (Wide Hollow Dam)	C030	Grant ** 275,000	
Commitments for Dam Safety Studies		** 136,000	
Total Funds Committed			\$ 4,760,000
Funds Balance			\$ 1,613,000

Projects Authorized

1 Beaver Bench Irr Co	D918	\$ 280,000	
2 North Canyon Irr Co	D955	315,000	
3 Deseret Irr Co	E056	432,000	
4 Porcupine Highline Canal Co	E062	85,000	
5 West Panguitch Irr & Res Co	E105	137,000	
Total Funds Authorized			\$ 1,249,000
Remaining Funds Available			\$ 364,000

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

September 19, 2003

Funds Available for Projects This FY	\$	2,158,000
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Bonds Closed This FY

1	\$	-
Total Bonds Closed	\$	-
Funds Balance	\$	2,158,000

Projects with Funds Committed

1 Johnson Water District	E070	\$	396,000
Total Funds Committed		\$	396,000
Funds Balance		\$	1,762,000

Projects Authorized

1 Trenton Town	L534	\$	1,304,000
Total Funds Authorized		\$	1,304,000
Remaining Funds Available		\$	458,000

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

September 19, 2003

Funds Available for Projects This FY **\$ 10,910,000**

Projects Contracted/Bonds Closed This FY

1 Wolf Creek Water Conservancy Inc.	E089	\$ 611,000
2 Davis & Weber Counties Cnl Co (Ph 4)	E112	545,000
3 Centerville City	L544	<u>1,142,000</u>

Total Funds Contracted/Closed	<u>\$ 2,298,000</u>
Funds Balance	<u>\$ 8,612,000</u>

Projects with Funds Committed

1 Taylor-West Weber WID	E095	\$ 825,000
2 Town of Brian Head	L541	1,700,000
3 Lake Creek Irr Co (Ph 1)	E102	22,500
* 4 City of South Jordan	E114	130,000
* 5 Hooper Irr Co (Press Irr, Ph 1 Amend)	E060	<u>1,402,000</u>

Total Funds Committed	<u>\$ 4,080,000</u>
Funds Balance	<u>\$ 4,532,000</u>

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000
2 Strawberry High Line Canal Co	D976	3,187,000
3 Kanab Irr Co	D968	62,000
4 Center Creek Culinary Water Co	E020	450,000
5 Uintah WCD (Island Ditch)	E036	720,000
6 Mountain Regional Water SSD	E040	1,675,000
7 New Santa Clara Field Canal Co	E069	930,000
8 Ephraim Irr Co	E061	1,155,000
20 Richland Nonprofit Water Co	E087	335,000
10 City of Cedar Hills	E099	31,200
11 Lake Creek Irr Co (Ph 2)	E102	300,000
12 Tropic & East Fork Irr Co	E104	820,000
13 West Point City	L546	410,000
* 14 Centerfield Town	L547	255,000
* 15 Town of Goshen	E109	<u>158,000</u>

Total Funds Authorized	<u>\$ 12,428,000</u>
Remaining Funds Available	<u>\$ (7,896,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

September 19, 2003

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects				
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,379,000	\$ 12,211,000
2 Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
3 Washington County WCD (Ivins)	D925	C&D	1,390,000	5,100,000
4 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
5 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	18,230,000	21,447,000
6 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D	12,495,000	14,700,000
Subtotal			\$ 73,215,000	\$ 89,071,000
Projects Under Investigation				
1 Downs Ditch Water Co	D899	RCF	\$ 7,500	\$ 10,000
2 Keith Johnson	D996	RCF	37,500	50,000
3 Mayfield Irr Co	E067	RCF	187,500	250,000
4 Rock Dam Irr Co	E083	RCF	37,500	50,000
* 5 The Dammeron Corp	E115	RCF	210,000	280,000
6 Summit County Service Area #3	E045	CWL	414,750	553,000
7 Woodruff Irrigating Co	D680	C&D	600,000	800,000
8 Kane County WCD	D828	C&D	1,500,000	2,000,000
9 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
10 Gunnison Butte Mutual Irr Co	E004	C&D	10,500,000	14,000,000
11 Town of Altamont	E012	C&D	142,500	190,000
12 City of South Jordan	E034	C&D	2,253,000	3,004,000
13 Hyrum Blacksmith Fork Irr Co	E047	C&D	2,025,000	2,700,000
14 East Juab County WCD	E071	C&D	375,000	500,000
15 New Escalante Irr Co	E077	C&D	5,625,000	7,500,000
16 Ferron Canal & Res Co	E082	C&D	2,625,000	3,500,000
17 Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
18 Logan, Hyde Park, Smithfield Canal Co	E096	C&D	1,301,250	1,735,000
19 Newton Water Users Association	E100	C&D	1,001,250	1,335,000
20 Weber-Box Elder Conservation Dist	E113	C&D	9,750,000	13,000,000
Subtotal			\$ 40,842,750	\$ 54,457,000
TOTAL			\$ 114,057,750	\$ 143,528,000

* New Applications

BOARD OF WATER RESOURCES

September 19, 2003

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **L-547**
Received: 3/17/03
Approved: 4/25/03

To be Presented at the September 19, 2003 Board Meeting

SPONSOR: ***CENTERFIELD TOWN***

Mayor: Darwin Jensen

LOCATION: The proposed project is located in and around Centerfield, about two miles south of Gunnison in Sanpete County.

EXISTING
CONDITIONS
& PROBLEMS: Centerfield currently supplies culinary water, through a system rated "Approved" by the Division of Drinking Water, to 375 residential and 21 commercial connections; all but two of the connections, which are low use properties, are metered. The majority of the connections have access to pressurized secondary irrigation water, but the past few years only about 25% have been able to effectively use it due to drought-related water supply problems.

The culinary system is supplied by Sorenson Spring about six miles east of town. Water is transported by gravity in a pipeline from the spring to a 500,000 gallon tank above town, and then enters the pipeline distribution system. The spring has reduced in flow during the past several years of drought, and will need to be supplemented even at normal flow to supply the town over the next 20-25 years. While the 500,000 gallons of storage is barely adequate today, the shortage of secondary irrigation water causes residents to use culinary water outside, making storage capacity inadequate. Most of the culinary pipeline distribution system is in good condition, but there are some sections of small pipe that extend to

the outskirts of town, plus some sections of iron pipe with lead joints.

Secondary irrigation water is supplied by shares in Gunnison Irrigation Company. The town would like to supplement that flow with a dependable groundwater source.

PROPOSED
PROJECT:

Centerfield is requesting financial assistance from the board to improve both its culinary water and secondary irrigation systems. Culinary improvements will include a well, a 100,000 gallon holding tank with booster pumping station near the well, a 300,000 gallon storage tank, and pipeline, valve, and hydrant replacements/additions to the distribution system. Secondary system improvements will include an irrigation well and transmission pipeline. Technical assistance is being provided by Sunrise Engineering in Fillmore.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
CULINARY				
1.	Mobilization	LS	\$112,000	\$ 112,000
2.	Test Well	LS	42,000	42,000
3.	Production Well	LS	104,000	104,000
4.	Well Pump, Motor, & Controls	LS	25,000	25,000
5.	Well House	LS	103,000	103,000
6.	Well House Power	LS	25,000	25,000
7.	100,000 Gal. Tank	LS	90,000	90,000
8.	Booster Pump Sta.	LS	20,000	20,000
9.	Pump House	LS	70,000	70,000
10.	Pump Sta. Power	LS	50,000	50,000

11.	300,000 Gal. Tank	LS	222,000	222,000
12.	PVC Pipe, C900			
	a. 12-inch	10,000 LF	22.00	220,000
	b. 10-inch	6,300 LF	16.00	100,800
	c. 8-inch	18,900 LF	13.00	245,700
	d. 6-inch	6,400 LF	10.00	64,000
13.	Valves & Hydrants	LS	153,000	153,000
14.	Road Crossings & Pavement Repair	LS	75,000	75,000
15.	SCADA System	LS	30,000	<u>30,000</u>
Subtotal				\$1,751,500
IRRIGATION				
1.	Mobilization	LS	\$13,000	\$ 13,000
2.	Test Well	LS	32,000	32,000
3.	Production Well	LS	58,000	58,000
4.	Well Pump, Motor, & Controls	LS	30,000	30,000
5.	Power	LS	20,000	20,000
6.	10-inch PVC Pipe, Cl. 200	5,000 LF	13.50	67,500
7.	Meter & Valves	LS	20,000	<u>20,000</u>
Subtotal				\$ 240,500
Construction Cost				\$1,992,000
Contingencies				199,000
Land Acquisition, Legal, Administrative, and Fiscal				21,000
Design and Construction Engineering				<u>386,000</u>
TOTAL				\$2,648,000

**COST SHARING
& REPAYMENT:**

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 255,000	10%
USDA Rural Develop. Grant	950,000	36
USDA Rural Develop. Loan	400,000	15
CIB Grant	550,000	21
CIB Loan	302,000	11
Sponsor	<u>191,000</u>	<u>7</u>
TOTAL	\$2,648,000	100%

If the board authorizes the project, it is suggested the bonded indebtedness of \$255,000 be repaid in 25 years at 1% interest with annual payments ranging from approximately \$4,600 to \$24,200 (includes reserves).

ECONOMIC
FEASIBILITY:

In order to measure project benefits it is necessary to identify and estimate the cost of the next best alternative project that can be expected to deliver the same service to the sponsor as will the proposed project. Two culinary alternatives were considered in this analysis, one being another well eight miles north and west of Centerfield in a potential well field, and the other a water treatment plant near Centerfield that will treat water from the local irrigation company canal for delivery into the town's culinary system. It is assumed that both alternatives will deliver the same amount of water as will the proposed project.

The alternate well is the most costly alternative due to several more miles of pipeline that would be required. The next best alternative means for meeting Centerfield's future water needs is therefore a culinary water treatment plant near town, and the initial acquisition of 154 acre-feet of water through the purchase of local irrigation company shares. An additional 122 acre-feet will be needed to reach buildout in the current town boundaries, for a total of 276 acre-feet.

Using the project engineer's estimate of cost for a 1,000 gpm conventional water treatment plant and \$1,500 per acre-foot for purchasing irrigation company shares, the total capital cost of this alternative is \$1,664,000. When this cost, along with estimated annual operation, maintenance, and replacement costs, is compared to that of the proposed well source, the benefit/cost ratio is 1.09, indicating the proposed project is more cost-effective than the water treatment plant alternative.

FINANCIAL
FEASIBILITY:

Based on the board's current water service affordability guidelines, Centerfield residents could pay up to \$29.51 monthly for all water. The cost of water with the proposed project, based on 396 existing connections, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 57,200	\$12.04
Secondary Water	40,400	8.50
Proposed BWRe Loan	4,600	0.97
Proposed USDA Rural Development Loan	21,700	4.57
Proposed CIB Loan	<u>19,400</u>	<u>4.08</u>
TOTAL	\$143,300	\$30.16

Currently monthly culinary water rates are \$13.00 for the first 10,000 gallons, \$1.00 per thousand gallons to 20,000 gallons, \$2.00 per thousand to 30,000, and \$5.00 per thousand above that.

BENEFITS: The project will provide additional culinary and secondary water sources, and culinary storage, to meet current and future needs. Distribution pipelines too small to provide flow at adequate pressures will be upsized, and safety hazards associated with lead joint distribution lines will be eliminated.

PROJECT SPONSOR: Centerfield Town was incorporated in 1909, has a current population of approximately 1,150, and has grown at an average annual rate of about 3.1% since 1970 (3.2% since 1990); the Governor's Office of Planning and Budget projects annual growth of 1.5% through the project repayment period, which is reflected in the proposed repayment schedule.

The town received \$175,000 from the board in the early 1980s to help make improvements to the culinary system; that loan has been paid off.

WATER RIGHTS & SUPPLY: Centerfield's water right (63-3241) reserves the first cfs (449 gpm) of spring discharge for the town's use on a year-round basis. Any excess is released to a local irrigation company. Centerfield will need to acquire additional water rights to be applied to both the culinary and secondary systems.

EASEMENTS: Additional easements will be required to allow installation of culinary and secondary wells, and the transmission pipelines.

ENVIRONMENTAL: With the exception of the proposed 300,000 gallon tank and about a half-mile of transmission pipeline carrying water from it, project facilities will be installed in or near existing road rights-of way; the exception will generally be on brush ground. Overall, little long-term impact to the environment is expected.


WATER
CONSERVATION: The town discourages outside watering between the hours of 10:00 a.m. and 6:00 p.m.; as a condition of project funding, it will be required to adopt an ordinance prohibiting irrigation of landscapes during those hours. Centerfield recently adopted a more progressive culinary water rate schedule.

The town is in the process of preparing a water management and conservation plan.

SPONSOR'S
RESPONSIBILITIES: The town will be required to make all arrangements to sell the board a non-voted revenue bond as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a list of requirements and procedures necessary to close the loan will be furnished to the town.

PROJECT CONTACT PEOPLE:	Mayor:	Darwin Jensen 130 South Main P.O. Box 220200 Centerfield, UT 84622 Phone: (435) 528-3296
	Project Manager:	John Iverson Sunrise Engineering, Inc. 25 East 500 North Fillmore, UT 84631 Phone: (435) 743-6151

Project Location



T19S, R1E, R2E

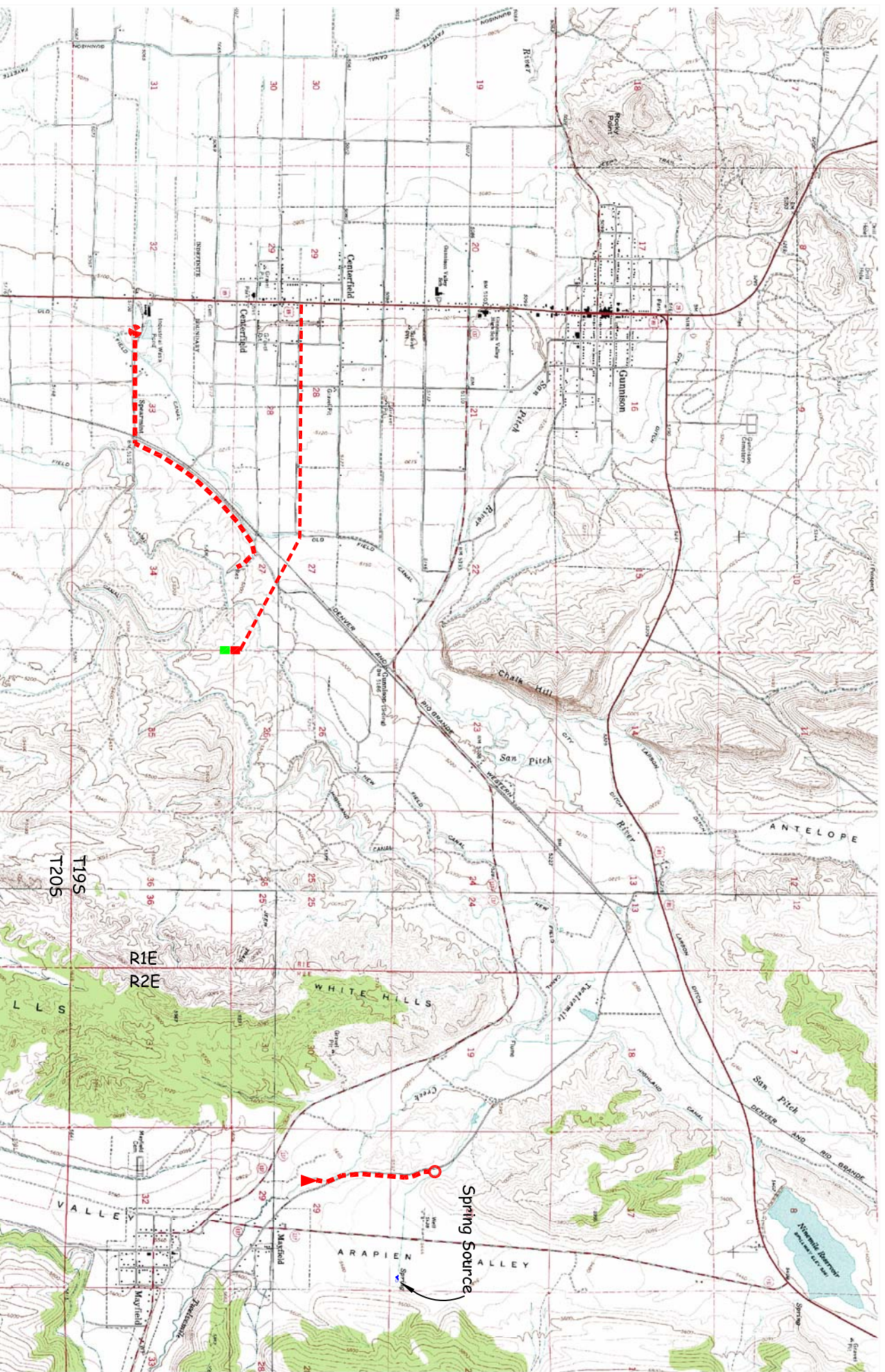
CENTERFIELD TOWN
Culinary & Secondary Water Systems
Improvement Project
 Sanpete Co.

- Proposed Transmission Pipeline
- Proposed 300,000 Gallon Storage Tank
- Proposed Irrigation Well
- Proposed 100,000 Gallon Tank & Booster Station
- ▲ Proposed Culinary Well

■ Existing 500,000 Gallon Storage Tank

Scale in Miles

0 1/2 1 2



BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-097**
Received: 10/29/02
Approved: 11/8/02
Authorized: 1/31/03

To be Presented at the September 19, 2003 Board Meeting

SPONSOR: **BEAR RIVER CANAL COMPANY**

President: Charles Holmgren
275 North 1600 East
Tremonton, UT 84337
Phone: (435) 257-5975

LOCATION: The proposed project is located on the Malad River about two miles south of Plymouth in Box Elder County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to replace a steel flume truss structure, conveying irrigation water over the Malad River, with an inverted siphon under the river.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$489,000	80%
Sponsor	<u>122,000</u>	<u>20</u>
TOTAL	\$611,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the project will be purchased with approximate annual payments of \$49,000 at 0% interest over 10 years.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-107**
Received: 3/24/03
Approved: 4/25/03
Authorized: 8/8/03

To be Presented at the September 19, 2003 Board Meeting

SPONSOR: **PIONEER LAND & IRRIGATION COMPANY**

President: O. Scott Wayment
1656 North 5900 West
Ogden, UT 84404
Phone: (801) 731-1531

LOCATION: The proposed project is located just south of Plain City, which is about seven miles northwest of Ogden in Weber County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to install a new irrigation pump station facility approximately 200 feet upstream from its existing pump on the Weber River.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 90,000	75%
Sponsor	<u>30,000</u>	<u>25</u>
TOTAL	\$120,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the sponsor will purchase the project with annual payments of \$4,700 at 0% interest over approximately 19 years.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Funds to Complete Phase I

Conservation and Development Fund

Appl. No.: **E-060**

Received: 9/11/01

Approved: 11/2/01

Authorized: 1/25/02

Committed (1st Portion Phase I): 3/20/03

To be Presented at the September 19, 2003 Board Meeting

SPONSOR: **HOOPER IRRIGATION COMPANY**

President: Robert W. Penman
5375 South 5500 West
Hooper, UT 84315
Phone: (801) 985-8429

LOCATION: The first phase of the project is located in and around Hooper City in Weber County.

PROJECT SUMMARY: The board authorized a four-phased pressurized irrigation system to serve agricultural and residential users. Of the 11,700 agricultural acres and 700 acres of residential lawns and gardens presently receiving water, it is anticipated that, when the overall project is completed, about 6,000 acres of farms and 2,400 acres of residences will be under pressurized irrigation; the sponsor's remaining 4,000 acres, in the Taylor and West Weber areas, plan to remain a ditch irrigation system.

The pipeline portion (15 miles of 30 to 4-inch) of the project's first phase is nearly complete and will serve approximately 850 homes and 900 agricultural acres. When the board committed funds for the pipeline last March, it was informed the pipe would ultimately be tied to a regulating reservoir and pump station. The sponsor had not yet procured the land

on which those components would be built, however, so funds were not committed to them.

The sponsor is now ready to proceed with construction of the 28 acre-foot, impervious membrane-lined regulating reservoir, and 640 horsepower pump station, and requests the board commit funds. Because these features are integral with the pipeline, it is suggested board funds be made available through an amendment to the current agreement.

COST ESTIMATE
& SHARING:

The overall project, estimated to cost \$19.5 million, was authorized based on 85% cost sharing from the board and 15% from the irrigation company. The proposed cost estimate and sharing for all of Phase I are:

<u>Agency</u>	<u>Pipeline Cost Sharing</u>	<u>Res. & Pump Sta. Cost Sharing</u>	<u>% of Total</u>
BWRe	\$2,677,000	\$1,402,000	85%
Sponsor	<u>473,000</u>	<u>248,000</u>	<u>15</u>
TOTAL	\$3,150,000	\$1,650,000	100%

PURCHASE
AGREEMENT:

Board financial assistance for each phase is to be returned at between 3% and 5% interest, depending on the proportion of agricultural and municipal benefit and the individual project phase beneficiaries' ability to pay. The exact interest rate, repayment period, and annual payments are to be determined at the time funds are committed for each phase.

The board's current agreement with the sponsor for the pipeline portion of Phase I requires the \$2,677,000 to be returned in 25 years at 3% interest with annual payments ranging from approximately \$112,000 to \$221,000; the payments parallel the state's projected average annual growth rate for Hooper of 2.86%. If the board commits \$1,402,000 to the sponsor for the reservoir and pump station portion of Phase I, staff recommends the current agreement be amended to state the board will provide 85% of the total cost of Phase I up to \$4,079,000, and that board funds will be returned in 25 years at

3% interest with annual payments ranging from approximately \$171,000 to \$336,000.

FINANCIAL
FEASIBILITY:

Based on the board's current water service affordability guidelines, Hooper residents could pay up to \$53.96 monthly for indoor and outdoor water service. The average residential user is currently paying about \$28.60 monthly for culinary water. Agricultural users are annually paying a \$20 assessment plus \$23/acre.

Because the sponsor and its engineer expect most of Phase I's 900 agricultural acres will be developed around the time the project is purchased from the board, repayment terms are based on the municipal component of benefits and ability to pay.

Lots have historically been one acre, but newly zoned areas are allowing 1/2 and 1/4 acre lots. Staff modeled a repayment structure at the growth rate with farmlands becoming subdivisions, and homeowners initially paying about \$10.40 monthly for the piping project and \$5.40 monthly for the reservoir/pump project, an amount in line with other similar, recently constructed systems in Davis and Weber counties. Average total water costs should therefore be about \$44.40 monthly (\$28.60 + \$10.40 + \$5.40).

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Conservation and Development Fund

Appl. No.: **E-114**
Received: 8/21/03

To be Presented at the September 19, 2003 Board Meeting

SPONSOR: **CITY OF SOUTH JORDAN**

Mayor: Kent Money
11175 S. Redwood Road
South Jordan, UT 84095
Phone: (801) 254-3742

LOCATION: South Jordan is approximately 15 miles south of Salt Lake City in Salt Lake County.

SUMMARY: The City of South Jordan was incorporated in 1935 and covers an area of approximately 22 square miles in Salt Lake County. The city is a residential community with a 2003 estimated population of 36,162. It has an expanding commercial, retail, and office tax base.

The city plans to issue one series of bonds for \$23.2 million to fund culinary water pipeline extensions, pressure reducing valves, storage tanks, water meters, a SCADA system, and other water system improvements.

REQUEST: The city is requesting the board provide a grant of \$130,000 to buy bond insurance. The insurance will reduce the interest rate about 0.3% and save the city approximately \$775,000 in interest payments over the bond's 20-year repayment period.

ECONOMIC FEASIBILITY: The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-115***

Received: 8/28/03

SPONSOR: ***THE DAMMERON CORPORATION***

President: Brooks Pace
285 Pinion Hills Drive
Dammeron Valley, UT 84783
Phone: (435) 680-2295

LOCATION: The proposed project is located about 15 miles north
of St. George in Washington County.

PROPOSED PROJECT: The sponsor is requesting assistance to improve its
culinary water system by constructing an additional
storage tank and installing transmission pipeline.

WATER RIGHTS: Well right 81-1045

COST ESTIMATE: \$280,00

BOARD OF WATER RESOURCES

Tour of Cedar/Beaver Basin Area

August 7, 2003

Tour Attendees

Board Members

Paul and Dorothy Riley
Harold and Diane Shirley
Warren Peterson
Ivan and Marlene Flint
George Harmond, Jr.
Paul and Judy McPherson

Staff Members

Larry and Cozette Anderson
Dennis and Connie Strong
Eric Millis
Nancy and Rick Fullmer
Randy Staker
Geralee Murdock
Steve Wilde
Todd Stonely
Val and Shelley Anderson

Visitors

Sherm and Marsha Hoskins, Department of Natural Resources
Lee Sim, Division of Water Rights
Representative Bud Bowman
Representative Michael Noel
Kerry Carpenter, Regional Water Rights Engineer
Gene Roundy, Iron County Commissioner
Wayne Smith, Iron County Commissioner
Central Iron County Water Conservancy District
 Scott Wilson, Executive Director
 Eldon and Loree Schmutz
 Sheridan Hansen
 Leon Hyatt
 Joe Melling
 Tom and Corinne Williams
 Rod Mills, Nolte Eng. (Consultant)
Steve Platt, Iron County Engineer
Dutch Deutchlander, Mayor, Brian Head

Everyone boarded the bus about 8:00 a.m. at the Crystal Inn in Cedar City and received a brochure prepared by the Central Iron County Water Conservancy District (CICWCD). Harold Shirley introduced himself as the Board member representing the Cedar/Beaver Basin area and welcomed everyone to Cedar City. He then introduced everyone on the bus.

As the bus drove, Harold pointed out the new manufacturing plants and the new housing developments around the farm fields. He talked about and pointed out the wells Cedar City gets its water from. Eldon Schmutz, Chairman of the conservancy district, talked about the area included in the district boundaries. He said the district was formed about five years ago, which was about 20 years too late. He talked about some of the challenges with the population growth and water issues.

Mr. Schmutz also talked about the proposed Lake Powell pipeline project and the possibility of bringing water to the Cedar City area. He discussed the feasibility study that has been completed and the USGS studies that show Cedar City will need additional water. Scott Wilson, manager of the CICWCD, also talked about the USGS study and computer models of the basin.

The bus stopped at the Milgro Nursery in New Castle and everyone got out and toured the facilities. The tour guide talked about the geothermal water that comes out of the ground at 500 degrees, which has enhanced the greenhouse operation. He showed everyone how the drip irrigation system works and how the plants are grown. He said the nursery's largest market is poinsettias and chrysanthemums.

The group left the nursery and looked at the farmlands around New Castle and traveled to a hay cubing operation in the Beryl area. Bob Holt met the group and explained his operation. He said he irrigates about 8500 acres of alfalfa and has four hay cubing plants. The hay cubes are shipped to Japan. Director Larry Anderson asked about the efficiency of the irrigation systems and the affects of mining the groundwater. Mr. Holt said the irrigation systems were about 70 percent efficient, but the water level in the wells was dropping.

The group had a discussion about the new water policy being discussed by the State Engineer. Mr. Holt asked how that would affect the concept of "first-in-time, first-in-right" water priority system and expressed his concerns.

During the drive to Enoch City, Kerry Carpenter, the Regional Engineer for the Utah Division of Water Rights in the Cedar City office, talked about some of the major issues with water rights and allocation challenges of the region. He referred to his handout in the CICWCD's brochure.

The bus stopped at the Enoch City office building, and everyone went inside for a briefing by the Mayor and USU Extension agent. Afterwards the group walked out and looked at the demonstration garden and learned about the drought tolerant grasses and plants.

While the group traveled to Minersville Reservoir, the Mayor of Brian Head talked about Brian Head and gave a history of the town's water system and water improvement projects that were partially funded by the Board of Water Resources. He handed out a memo from the town manager regarding recent and proposed water projects for the town.

Warren Peterson joined the tour just before the group got to Minersville Reservoir. Harold Shirley talked about the Minersville Dam repair project and the dam safety program. The group had lunch at the Minersville Reservoir park. After lunch the Mayor of Beaver City and Beaver County Commissioners provided a briefing regarding the water related challenges and future of their area. The commissioners also talked about the operation of the reservoir and the park that has been turned over to the county from the Division of Parks and Recreation.

Mark Nielsen from the USU Extension Service talked about the Beaver watershed program they have been working on for the last few years with the State Health Department and EPA.

Everyone got back on the bus and stopped in Minersville Town to pick up officials from the Circle 4 Farms who talked about the pig operation that has been in operation since 1995 and has grown from 17 employees to 475 employees. They have 60 farms which include sow farms, nursery farms and finishing farms that cover about 35 miles.

The bus stopped so everyone could walk to one of the sewage lagoons. Brian Mouldwin talked about some of the environmental problems and then explained the current project to turn pig poop into fuel. The group then stopped at a finishing farm and looked at the hogs that would soon be shipped to the market.

After the bus stopped in Minersville, Rod Mills from Nolte Engineering, talked about the regionalization issues and water conservation. He also explained some of the water quality issues in the area. He talked about the concerns regarding mining the groundwater aquifer and damaging the aquifer as the water levels go down. Mr. Mills thanked the Board and staff for touring the area and listening to the concerns of the district.

The bus returned to the motel about 4:00 p.m.

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

August 7, 2003

Crystal Inn
1575 West 200 North
Cedar City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
August 7, 2003

The Board of Water Resources held a briefing meeting on August 7, 2003, at 4:15 p.m. at the Crystal Inn, 1575 West 200 North, Cedar City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Harold Shirley
Ivan Flint
Warren Peterson
George Harmond, Jr.
Paul McPherson

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Nancy Fullmer
Val Anderson

VISITORS

Sherm Hoskins

Chair Paul Riley called the briefing meeting to order and welcomed everyone. He said Brad Hancock and Bill Marcovecchio had called and asked to be excused from the meetings. He thanked Harold Shirley for the nice tour of his area the Board had taken earlier in the day.

Director Larry Anderson said John Bennett from the Quality Growth Commission would be making a presentation at the Board meeting. He will explain the definition of a “quality growth community” and the proposed incentives. The Board members will not have to take an action on their request for reduced interest rates until they have time to review the impacts to the funds.

Mr. Anderson also said Lee Sim from the State Engineer’s Office would be giving a presentation on the concerns of groundwater management throughout the state.

DISCUSSION OF PROJECTS

Ivan Flint said Brad Hancock had talked to him about the Johnson Water District project in Duchesne County and asked him to make the motion to commit funds. Dennis Strong said the project costs decreased so the amount requested from the Board is less than authorized. No one from the company will attend the Board meeting.

Val Anderson talked about the request from Pioneer Land and Irrigation Company. He said the project would be for authorization only since the sponsor has not completed the requirements for committal of funds.

Dennis Strong handed out copies of a letter Harold Shirley received from Michael Noel on behalf of the Kane County Water Conservancy District requesting the Board of Water Resources reduce the interest rate on the existing Kanab Irrigation Company loan. He said staff had not had an opportunity to investigate the request, but he gave the Board a memo he prepared on the status of the company’s loan. He reviewed the history of the project that was authorized by the Board in February, 1982 and said the company was current in its repayments.

Harold Shirley said the company has a proposed joint project they want to construct with the conservancy district, but they need to get the current repayments changed so they can afford the new project. After considerable discussion, Mr. Strong said staff would make the presentation on the request for the contract amendment at the Board meeting, and the Board can decide to act on the project and grant the sponsor’s request, modify the request or table the request and ask staff to present it at the next meeting after they have more information.

OTHER ITEMS

Director Anderson talked about the Bear River Commission appointments and recommended the Board reappoint Blair Francis as the Upper Bear River Commissioner and Norman Weston as the alternate commissioner to serve until 2007. He said the Board of Water Resources makes the appointments with the concurrence of the Governor.

Mr. Anderson informed the Board members that Bob Morgan, Executive Director of the

Department of Natural Resources, is planning to hold a joint meeting with all of the boards in November or December. Sherm Hoskins talked about the purpose of the meeting. He said it could be a good opportunity to discuss the issues facing natural resources. The Board members suggested inviting someone from the Governor's office to participate in the meeting.

Harold Shirley explained the activities planned for the rest of the day and the next day's meetings.

The briefing meeting adjourned at 5:15 p.m.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES

August 8, 2003

Cedar City Office Building
(Council Chambers)
10 North Main
Cedar City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the August 7 and 8, 2003 meetings were approved with suggested changes. page 2
2. The Board committed funds to the Johnson Water District in the amount of \$396,000 to be repaid in 25 years at 1% interest with annual payments ranging from approximately \$13,500 to \$29,300. page 2
3. The Board withdrew and decommitted the Parowan West Fields Irrigation Company project and withdrew the Parowan City project from further consideration by the Board. page 3
4. The contract for the Herriman Pipeline & Development Company was amended so the September 1, 2003 payment would be due on December 1, 2003 and all succeeding payments due December 1 of each year. page 3
5. The Board authorized the Pioneer Land and Irrigation Company project in the amount of \$90,000 (75%) to be repaid in approximately 19 years with annual payments of \$4,700 at 0% interest. page 4
6. The Kanab Irrigation Company's contract was amended and the 3.45% interest rate was reduced to 0%. The project is to be repaid in 18 years with annual payments of \$36,500. page 4
7. The Board reappointed Blair Francis as the Upper Bear River Commissioner and Norman Weston as the alternate Upper Bear River Commissioner. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, August 8, 2003 at the Cedar City Office Building Council Chambers, 10 North Main, Cedar City, Utah. Chair Riley presided over the 8:30 a.m. meeting

BOARD MEMBERS PRESENT:

Paul Riley
Harold Shirley
George Harmond, Jr.
Paul McPherson
Ivan Flint
Warren Peterson

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Assistant Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Todd Stonely, Chief, River Basin Planning
Val Anderson, Senior Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Bob Morgan, Executive Director, Department of Natural Resources
Sherm Hoskins, Deputy Director, Department of Natural Resources
Hugh Thompson, Asst. Director, Department of Natural Resources
John Bennett, Planner, Governor's Office of Planning and Budget
Wes Curtis, Planning Coordinator, Governor's Office of Planning and Budget
Lee Sim, Assistant State Engineer, Division of Water Rights
Doug Nielsen, Sunrise Engineering
Rod Mills, CICWCD Nolte Associate Engineers
Mayor Gerald Sherratt, Cedar City

Quenten Jenkins, Director, Pioneer Land and Irrigation Co.
Joeann Jenkins, Pioneer Land and Irrigation Co.

Michael Noel, Executive Director, Kane County Water Conservancy District

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
August 8, 2003

Chair Paul Riley introduced Bob Morgan, Executive Director of the Department of Natural Resources, Sherm Hoskins, Deputy Director of the Department of Natural Resources and Cedar City Mayor Gerald Sherratt. Mayor Sherratt told the Board about Cedar City and thanked them for spending time in the area. Director Anderson thanked the mayor for the city's efforts in water conservation.

QUALITY GROWTH COMMISSION REPORT

Chair Riley introduced John Bennett with the Governor's Office of Planning and Budget, and Wes Curtis, State Planning Coordinator from the Quality Growth Commission. Mr. Bennett said the Quality Growth Commission was created by the Quality Growth Act of 1999, and is comprised of 13 members appointed by the Governor. The Board includes Bob Morgan representing the Department of Natural Resources and Cary Peterson, Commissioner of Agriculture, along with developers, farmers, real estate interests, city and county officials and citizens at-large. He explained the commission's responsibilities. The Governor wants this to be a part of the legacy of his administration.

Using a power point presentation Mr. Bennett gave a detailed explanation of the Quality Growth Communities Initiative. He encouraged the Board members to give priority for water funding to Quality Growth Communities and 21st Century Communities, and to provide a reduction in interest rates. The Board members asked several questions and said they would discuss the possibility of including quality growth as one of their prioritization criteria.

Bob Morgan said he is a member of the Quality Growth Commission and 21st Century Communities to represent water resources and water rights. He said quality growth is always being promoted. The Commission is trying to preserve lands and promote the conservation ethic by getting communities involved. Mr. Morgan introduced Hugh Thompson, Deputy Director of the DNR, and congratulated him for receiving an award from the Southern Utah State University. Mr. Thompson said he was very honored to receive the award.

STATE ENGINEER'S GROUNDWATER MANAGEMENT CONCERNS

Lee Sim, Assistant State Engineer, said he was representing Jerry Olds, the State Engineer, who could not attend because of other commitments. Mr. Sim talked about the State Engineer's perspective about groundwater management in the state, its use, and what is developing. He explained, through the use of a power point presentation, some of the State Engineers concerns. Mr. Sim spent considerable time answering the Board's questions.

APPROVAL OF THE MINUTES

Ivan Flint made a motion to approve the minutes of the June 11, and 12, 2003 Board meetings with suggested changes by Warren Peterson. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

CHAIR'S REPORT

Chair Riley asked Director Anderson to make a presentation to Warren Peterson. Mr. Anderson presented Mr. Peterson with the gavel he used while he served as Chair of the Board of Water Resources. He thanked Mr. Peterson for his leadership and support to both the staff and the Board.

Chair Riley said he had represented the Board of Water Resources at two meetings during the month; one was the State Water Development Commission meeting. The other one was the Western States Water Council meeting held at Sherwood Hills, along with a tour of Bear Lake.

COMMITTAL OF FUNDS

#E070 Johnson Water District

Steve Wilde reported the district is requesting financial assistance to improve its culinary water system by constructing a 750,000 gallon storage tank and connecting it to the system, upgrading an existing well's pumping equipment so water can be delivered to the new tank, and installing a telemetry line between the well and tank. Since authorization the district received a Community Impact Board grant, it chose to increase its cost sharing, and project costs decreased. Instead of requesting the authorized \$659,000 from the Board, the district is requesting a committal of \$396,000 which is 61% of the total project cost.

Ivan Flint made the motion to commit funds to the Johnson Water District project in the amount of \$396,000 to be repaid in 25 years at 1% interest with annual payments ranging from approximately \$13,500 to \$29,300. Warren Peterson seconded the motion and the Board agreed unanimously.

SPECIAL ITEMS

#E044 Parowan West Fields Irrigation Company

The Board committed \$15,200 to the company to retrofit its pressurized irrigation system with valves and piping necessary to improve flow to a user at the top of the system. Since the sponsor has no water rights of its own, shareholders would have to transfer their shares to the

company and it would require modifications to the sponsor's stock system so the company obtained funding from Western AgCredit.

#E090 Parowan City

Parowan City requested financial assistance to improve its secondary irrigation system. Because there is insufficient support within the city to proceed with the project, the city requests its application to the board be withdrawn.

Harold Shirley made the motion to withdraw and decommit the Parowan West Fields Irrigation Company project and withdraw the Parowan City project from further consideration by the Board. Paul McPherson seconded the motion and it was unanimously agreed upon by the Board.

#E055 Herriman Pipeline & Development Company

Steve Wilde reported the company recently completed improving its culinary water system which consisted of constructing a million gallon concrete storage tank, replacing an existing well's pump, motor and controls, and doing development work on its springs in Rose Canyon. The company's first annual payment to the Board, by agreement, is due September 1, 2003. Because most of its revenues are received September-November, the company is requesting the due date of each payment be changed to December 1.

Warren Peterson made the motion to amend the Herriman Pipeline & Development Company contract so the September 1, 2003 payment would be due on December 1, 2003 and each succeeding payment due December 1 of each year. George Harmond, Jr. seconded the motion and it was agreed upon unanimously by the Board.

#E107 Pioneer Land and Irrigation Company

Chair Riley introduced Quenten and Joeann Jenkins from the company. Val Anderson reported the company delivers Weber River water to 36 shareholders flood irrigating 300 acres southeast of Plain City. River water is pumped into company canals from a facility over 60 years old, which requires considerable maintenance and needs to be replaced. At the current point of diversion, river channel characteristics are such that the company must spend a significant amount of time each season diverting water and keeping it diverted.

The company is requesting financial assistance to install a new irrigation pump station facility approximately 200 feet upstream from its existing pump on the Weber River into a diversion owned by the Warren Irrigation Company, but not being used. Design and construction engineering will be provided by WCA Structural Engineering in Bountiful. The project is estimated to cost \$120,000.

Quenten Jenkins said he had lived in the area all his life and couldn't remember when the pump had last been fixed. He said if they were able to move the facility 200 feet upstream they would be past the dam that's having trouble holding water. He said they would appreciate some assistance.

Director Anderson said the project was before the Board for authorization only. The company is not ready for committal of funds. Ivan Flint said it was a good project and made the motion to authorize the Pioneer Land & Irrigation Company project in the amount of \$90,000 (75%) to be repaid in approximately 19 years with annual payments of \$4,700 at 0% interest. George Harmond, Jr. seconded the motion and it was agreed unanimously by the Board.

#N237 Kanab Irrigation Company

Chair Riley introduced Michael Noel, Executive Director of the Kane County Water Conservancy District. He said the Board received copies of a letter from the district and a memo from staff explaining the history of the project funded by the Board in 1982. Mr. Noel thanked the Board for the opportunity to present the request to reduce the irrigation company's repayments. He explained the project was authorized in February, 1982 and in December, 1982 the Board committed over \$2 million at 3.45% interest for about 33 years. The city's portion was \$823,000 to be repaid at 5% interest over about 20 years. In 1989 the company requested the Board amend its agreement and allow it to repay the project balance over about 33 years at 3.45% interest with annual payments of \$51,000. The Board agreed and the contract was amended in February, 1989.

Mr. Noel said they had paid on this loan for approximately 20 years, and at this time is requesting the interest rate be reduced from 3.45% to 0% so the company could use those funds to move forward on a reservoir project. He explained the district's past and present projects and the potential reservoir project; they will be coming before the Board for a request for financial assistance in the near future.

After a lengthy discussion, Harold Shirley said he felt comfortable approving 0% interest after visiting the project and knowing the projects they have on the drawing board to solve the problem for the whole area. He made the motion to amend the Kanab Irrigation Company's contract and reduce the interest rate from 3.45% to 0% to be repaid in 18 years with annual payments of \$36,500. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

BEAR RIVER COMMISSION

Director Anderson reminded the Board, the Board of Water Resources makes the appointments to the Bear River Commission with concurrence of the Governor's Office. Blair Francis serves as the Upper Bear River Commissioner and Norman Weston serves as the alternate Upper Bear River Commissioner. They have both been on the commission for some time. He said there is no limit as to how long they can serve. They must be a farmer or rancher

operating a farm or a ranch in the basin, and they have to live in the basin to serve on the commission. Mr. Anderson recommended the Board reappoint Mr. Francis and Mr. Weston as they have both served effectively and have been very much involved.

Ivan Flint made the motion the Board reappoint Blair Francis as the Upper Bear River Commissioner and Norman Weston as the alternate Upper Bear River Commissioner. Paul McPherson seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson gave the Board a copy of the division's document entitled "Utah's M&I Water Conservation Plan". He said this document was prepared in response to some groups saying Utah did not have a water conservation plan. The division has had a plan for a long time, however it was not clear to others. Eric Millis and his staff were responsible for putting the document together. It is basically what the division and the Governor's Water Conservation Team has been doing for the past 5-8 years. Fifty copies have been prepared and sent out to various cities and water districts for review and comments.

The Western States Water Council (WSWC) meetings were held in Utah in July. Utah hosts this meeting every five years. The WSWC consists of members of 17 western states. He said a tour of Cache Valley and the Bear Lake Basin along with a ride on the Bear Lake Monster and a tour of the Lifton Pump Plant was provided for the group by the division. WSWC meetings were held the following two days at Sherwood Hills Resort. He said the group was very interested in Utah's water conservation programs.

Mr. Anderson said a federal district court ruled on the silvery minnow vs. John Keyes, commissioner of the Bureau of Reclamation, in favor of the silvery minnow. The case was appealed to the 10th Circuit Court which ruled 2-1 in favor of the silvery minnow. This ruling allows the Endangered Species Act to trump the Bureau of Reclamation's contracts to deliver water to communities and irrigation companies. The Bureau of Reclamation intends to appeal this ruling to the full 10th Circuit Court which would mean it would be considered by all 12 judges instead of only a 3-judge panel.

There are various opinions in the interpretation of the Upper Colorado River Compact and the Colorado River Compact as to whether water can be moved from the Upper Colorado River Basin to the Lower Colorado River Basin in the same state. Water would need to be moved from Utah's Upper Colorado River Basin to the Lower Colorado River Basin (southwestern Utah) in order to build the Lake Powell pipeline and supply water to southwest Utah. New Mexico has the same situation regarding the Navajo-Gallup pipeline. Even though it was controversial, a resolution was approved by the Upper Colorado River Commission stating the basin states did not oppose moving water from the Upper Basin to the Lower Basin in the same state. Copies of the resolutions are in the Board folder.

NEXT MEETING

The next Board meetings will be held in Salt Lake City on September 19, 2003.

Meeting adjourned at 11:30 a.m.

BOARD OF WATER RESOURCES

Weber Basin Tour

June 11, 2003

Everyone arrived at the Weber Basin Water Conservancy District (WBWCD) office in Layton about 8:00 a.m. Warren Peterson called the meeting to order. He welcomed everyone and thanked the district for their great hospitality. He introduced George Harmond and welcomed him as the newest member of the Board of Water Resources. Chair Peterson then asked everyone to introduce themselves.

Tage Flint, manager of the WBWCD, welcomed everyone and thanked the Board members for coming to the Weber Basin area. He said the district's service area is experiencing incredible growth, and the new growth is increasing the demand for municipal and industrial water. Mr. Flint gave a history of the WBWCD, which was created in 1950 to act as the local sponsor of the federal Weber Basin Project and to supply water resources to the population within its service boundaries.

Mr. Flint showed a map of the WBWCD service area, which covers over 2500 square miles as it serves five counties: Davis, Weber, Morgan, Summit and a part of Box Elder. He also mentioned the seven large storage reservoirs WBWCD operates on the Weber and Ogden Rivers. He said WBWCD is unique for its ability to serve five classifications of water service, including agricultural water (flood and pressure), drinking water, industrial supplies, groundwater replacement and pressurized/secondary water.

Mr. Flint said WBWCD has been very involved with the Division and Board of Water Resources for many years. They are currently working with division staff trying to find meters that will work with the secondary untreated water.

After a short briefing, everyone got on the bus and left the district office about 8:40 a.m. and stopped at a fluoride injection station. Scott Paxman explained the fluoride project the district was directed to construct since Davis County residents voted in favor of the fluoride initiative. The WBWCD has built five fluoride stations and is in the process of building three more. These stations feed fluoride to the Davis County population only since Weber County residents voted against fluoride. The total cost for the fluoride feed system is approximately \$2,000,000.

On the way to the drought relief pumps project, Mr. Flint pointed out the Davis and Weber Counties (DWC) canal and the areas that were damaged when the canal failed. He said the WBWCD helped supply water to the farmers during the washout by using the drought relief pumps which were constructed during the drought in 1977-78. The bus stopped at the drought pump station, and Mark Anderson explained the project before everyone went inside the building. He said WBWCD received financial assistance from the Board of Water Resources to help build the pump plant and reservoir. Ivan Flint talked about the development of the project.

He said WBWCD worked fast and hard to get the project designed within 120 days so they could receive emergency drought funding.

As the bus drove through the West Haven/Kanesville area, Mark Anderson talked about the water system WBWCD was asked to take over from the Kanesville Irrigation Company in 1999. Through financial assistance from the Board of Water Resources, WBWCD upgraded and expanded the service area of the system and installed additional transmission lines and pump station additions.

Tage Flint talked about the Bear River Development Act Project and what the WBWCD and the Jordan Valley Water Conservancy District have done to prepare for it. He pointed out the land that has been purchased by both districts in anticipation of building a water treatment plant for Bear River water if the state builds the Bear River Project. He explained how the legislative act divided the Bear River water totaling 220,000 acre-feet between the two water districts and Cache and Box Elder Counties.

While the bus traveled to Willard Dam and Reservoir, Mr. Flint talked about the project that was built between 1957-1963 with the idea of exchanging water with the other water companies on the Weber River. The reservoir will be at its lowest level since it was built, which will impact the recreation users. It is the shallowest reservoir operated by WBWCD and it experiences the most evaporation. He said some of the areas in Box Elder County have expressed an interest in having WBWCD supply them with water.

Mark Anderson talked about the Willard Canal and said the canal is a bi-directional canal that takes water from the Slaterville Diversion and conveys it to Willard Bay for storage. When water is called for from Willard Bay, the Willard Canal pumping plant will lift approximately 500 cfs of water back into the canal for deliveries back to the Weber River.

Grant Salter met the group at the pumping plant when everyone had the opportunity to look at the pumps and the mud cat dredge that was cleaning out the canal. The bus then stopped at the marina at Willard Bay, which is an area heavily used for recreation by the residents of the Wasatch Front. Tage Flint talked about the increased security measures WBWCD has implemented since the September 11 terrorists attacks.

As the bus traveled up Ogden Canyon, Tage Flint explained the district's flood control responsibilities on the dams and reservoirs. They have to keep water in the lower Weber River for fish purposes. When the bus arrived at Pineview Reservoir, Mark Anderson talked about the spillway repair project. As part of the Safety of Dams Program, the U.S. Bureau of Reclamation is upgrading the Pineview Dam against future seismic events.

The bus followed the road around Pineview Reservoir through the Eden Valley area. Tage Flint said the area is currently under the Weber County master planning, and secondary water is being proposed, along with a sewer system rather than the current use of septic tanks. On the way to Causey Reservoir, he pointed out the new homes being built in the canyon, and said the homeowners are requesting water from WBWCD because they cannot get permits to

drill wells without replacement water. He talked about replacement water contracts but said new homes might be limited in the area.

The group stopped at Causey Reservoir and had a delicious lunch served by the WBWCD staff. After lunch the group went to the Causey Dam Hydroelectric Power Plant that was constructed in 1997-1998 as part of a rehabilitation and betterment project loan from the Bureau of Reclamation. The 2,235 kilowatt power plant operates year round and is an important source of power for the WBWCD.

The bus next stopped at the Gateway Canal and Mark Anderson talked about the Gateway Canal Project, which is the lifeblood for the aqueducts that supply water to the Wasatch Front and Ogden. The WBWCD is just completing a major ten year rehabilitation and betterment project. Everyone looked at the Gateway Power Plant, situated at the end of the canal, which is a two-unit power plant.

While the bus traveled down Weber Canyon, Tage Flint pointed out where the Gateway Tunnel comes out of the mountain. He said the water flowing through the Gateway Tunnel is diverted into two aqueducts. The Davis Aqueduct feeds the Layton and Bountiful water treatment plants as well as irrigation water while the Weber Aqueduct supplies water to the Ogden treatment plant and irrigation water in Weber County.

The bus arrived at the WBWCD offices and everyone got off and toured the new treatment facilities. Scott Paxman led the tour and talked about the new renovation and replacement project that was currently underway. He said the new treatment plant will have nearly twice the capacity and will meet all current and foreseeable EPA drinking water regulations using several state of the art treatment processes. He explained the new ultraviolet disinfection and ozone processes they use in the chemical feed building. As everyone walked by the outside pools, he explained the new flocculation process. He said the old filter plant is now off line and will be remodeled or demolished.

The tour ended about 4:15 p.m.

Weber Basin Tour Attendees
June 11, 2003

Board Members

Warren Peterson
Harold Shirley
Brad Hancock
George Harmond, Jr.
Ivan and Marlene Flint
Bill Marcovecchio
Paul Riley
Paul and Judy McPherson

Staff

Larry Anderson
Dennis Strong
Eric Millis
Dave Cole
Todd Adams
Steve Wilde
Boyd and Donna Phillips
Randy Staker
Nancy Fullmer

Visitors

Sherm and Marsha Hoskins
Anna Atwater
Steve Allred
Brian Allred
John Mann

Weber Basin WCD Staff

Tage Flint
Mark Anderson
Scott Paxman

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

June 11, 2003

Weber Basin Water Conservancy District
2837 East Highway 193
Layton, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
June 11, 2003

The Board of Water Resources held a briefing meeting on June 11, 2003, at 4:00 p.m. at the Weber Basin Water Conservancy District, 2837 East Highway 193, Layton, Utah.

The following people were in attendance:

BOARD MEMBERS

Warren Peterson
Paul Riley
Ivan Flint
Brad Hancock
Harold Shirley
Bill Marcovecchio
George Harmond, Jr.
Paul McPherson

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Nancy Fullmer
Randy Staker
Dave Cole
Boyd Phillips
Todd Adams

VISITORS

Sherm Hoskins
Anna Atwater

Chair Warren Peterson called the briefing meeting to order and welcomed everyone. The Board members thanked Tage Flint and his staff for the wonderful informative tour.

CHAIRMAN'S REPORT

Chair Peterson reported on the Governor's Water Funding Task Force meeting he and Director Anderson attended in May. He said one of the legislators requested that the Board of Water Resources review their policies and guidelines and the way they evaluate the loans. He suggested the Board stay after the Board meeting in Cedar City in August to review and discuss their policies. The next Board meeting will consist of a tour on Thursday with a briefing meeting that afternoon, the Board meeting will be held on Friday morning, and then the Board could hold a short retreat to review the Board's policies and decide if they want to make any changes.

The Board members agreed to hold a short retreat after the August Board meeting. Staff will send out information in advance of the retreat. Director Anderson said the policies and guidelines are in the comprehensive handbook and also in the application packets. Staff will be prepared to explain how recommendations are made based on the policies and guidelines and how interest rates are determined. Staff will also talk about some of the projects the Board has received criticism for funding.

Director Anderson said staff would like to take time at Board briefing meetings whenever possible to discuss specific items; such as ethics, funding programs, conflicts of interest, etc. Staff has made a list of topics, but it might take a couple of years to go through all of them.

Warren Peterson said the Water Development Commission is meeting on July 15. The draft report prepared by the funding task force subcommittee will be presented and considered at that meeting. He said the report is on a website and public comment is being solicited that will be presented at that meeting.

Chairman Peterson said he is planning to hold to his promise to turn his chairmanship over after serving one year so he wants the Board to be prepared to elect a new chairman and new vice chairman at the Board meeting tomorrow. He said he has thoroughly enjoyed working as Board chair and staff has been incredible; but he wants to spend more time with his family. He also wants other Board members to have an opportunity to serve as chairman.

Ivan Flint said he thought Chair Peterson had done an excellent job and he doesn't think it is a bad idea to serve as vice chair for one year then chair for one year.

DISCUSSION OF STAFF ACTIVITIES

Larry Anderson thanked Tage and Ivan Flint and Dennis Strong for putting together the excellent tour of the Weber Basin area. He asked Eric Millis to talk about the proposed state water conservation plan. He said staff was on the last agenda of the Water Development Commission meeting to talk about the plan, but the Commission run out of time so the item is on

the agenda for the next meeting.

Eric Millis said staff felt surprised that people were saying the state didn't have a water conservation plan so staff is compiling all of the information from separate reports into one document. He said the Governor's Water Conservation Team has been getting water conservation information out to the media, the State Water Plan and basin plans contain a section on water conservation, and the legislature passed the Water Conservation Plan Act that requires municipalities to submit a water conservation plan. Mr. Millis said staff wants to emphasize the goal of reducing water use by 25% and conserving 400,000 acre-feet of water before 2050.

There was a discussion about drought and water conservation being two separate issues. Water conservation should be on-going and a long-term commitment no matter how much water is available. The state also has a drought plan and a committee that meets periodically.

DISCUSSION OF PROJECTS

Tropic & East Fork Irr. Co.

Steve Wilde said the irrigation company has been approved to receive grant funds from the Upper Sevier River Water Conservancy District as part of the CUP Section 206 funds. Harold Shirley said the company is proposing to construct the project in two phases. Dennis Strong said CUP funds would only be used on one of the phases, but the Board's funds would be used on both phases. Steve Wilde said they want authorization for both phases at this time with repayment terms to be determined when funds are committed.

The Board members asked about the benefit-cost ratio and the sponsor's ability to repay the Board. There was also a discussion about the water rights and return flows.

West Panguitch Irr. & Reservoir Co.

Warren Peterson expressed his concerns about the water rights for the company and the additional new acreage. He also wanted staff to be aware of the company decreasing its water rights to provide water for cabins and summer homes near Panguitch Lake.

Steve Wilde said Tom Cox has the details. Dennis said his staff would be designing the project. Director Anderson said staff won't let a system be designed that includes more acreages than is allowed by the company's water rights, and staff engineers are well aware of the concerns in the Sevier River Basin.

West Point City

Ivan Fint said he looked at this proposed project, but he didn't know they had asked for an interest rate buydown arrangement. Steve Wilde said the water rates would be the same with

the interest rate buydown as it would be if a larger loan were obtained from the Board. Mr. Flint said this project should help the situation with the Hooper Water Improvement District and West Point City water systems overlapping in some areas.

Davis and Weber Counties Canal Company

Ivan Flint said this large secondary irrigation project was approved years ago; Dennis Strong said it was authorized in 1988 to be built in several phases over a period of years. Mr. Flint said this was one of the projects the Board was being criticized for funding. He asked about the financial status of the company and if they were current on their repayments to the Board.

After some discussion, the Board members said they might want to review the cost sharing and repayment terms on the additional phases of the company's project that was authorized by the Board.

Consolidated Sevier Bridge Reservoir Co.

Warren Peterson declared a conflict of interest. Dennis Strong said because of the availability of Board funds, staff recommended the Board commit funds on only the first phase of the dam safety project, which is the most crucial from a safety standpoint. He also said the amount being requested from the Board is less than the amount authorized.

Richland Nonprofit Water Company

Steve Wilde said the sponsor did not complete all of the requirements for committal of funds. Staff recommends the Board authorize the project but not commit funds at this time.

OTHER ITEMS

Chair Peterson said the Board meeting would be held at the Weber Basin Water Conservancy District office building in the room we are currently meeting in.

The meeting adjourned at 5:45 p.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING

June 12, 2003

Weber Basin Water Conservancy District
2837 East Highway 193
Layton, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the April 24 and 25, 2003 meetings were approved with suggested changes. page 1
2. The Board authorized the Tropic and East Fork Irrigation Company project in the amount of \$820,000 (49%) to be purchased at 1.5% interest from the C&D fund over approximately 25 years with annual payments of \$40,000. page 2
3. The West Panguitch Irrigation and Reservoir Co. project was authorized in the amount of \$137,000 (19%) at 0% interest over approximately 11 years with annual payments of \$9,000 the first year, \$11,000 the second, and \$13,000 thereafter. page 3
4. The Board authorized the West Point City project to participate in an interest rate buydown. The market loan of \$890,000 will be repaid in 20 years at 5% interest with the first payment in 2005. The \$410,000 (25%) bonded indebtedness to the Board would be repaid in 12 years at 0% interest beginning in 2007 with payments ranging from \$4,000 to \$80,000 and a final payment of \$9,000 in 2018. page 4
5. Funds were committed to the Davis and Weber Counties Canal Co. in the amount of \$545,000 (85%) to be purchased in 35 years at 5% interest with annual payments of approximately \$33,300. The company is to pay \$97,000 upfront and supply the necessary water right to cover the project. page 4
6. The Board committed funds in the form of a dam safety grant to the Consolidated Sevier Bridge Reservoir Co. in the amount of \$4.275 million (95%). page 5
7. The Carbonville Ditch Co., Croydon Pipeline Co., East Carbon City, and Marion Park Estates applications were withdrawn from further consideration by the Board. page 6
8. The Board authorized the Richland Non-profit Water Co. project in the amount of \$335,000 (17%) to be returned in 25 years at 4% interest with annual payments ranging from approximately \$16,400 to \$29,400. page 7
9. Paul Riley was elected by acclamation to the office of Board Chairman. page 7
10. Harold Shirley was elected by acclamation to the office of Board Vice-Chairman. page 7

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Thursday, June 12, 2003 at the Weber Basin Water Conservancy District offices, 2837 East Highway 193, Layton, Utah. Chair Peterson presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Warren Peterson
Paul Riley
Harold Shirley
Brad Hancock
Paul McPherson
George Harmond, Jr.
Bill Marcovecchio
Ivan Flint

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief Investigations
Todd Adams, Chief, Hydrology & Computer Applications
Dave Cole, Sr. Engineer
Tom Cox, Engineer
Gina Hirst, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources
Anna Atwater, Budget Analyst, Governor's Office of Planning and Budget
Chris Hogge, Engineer, Weber Basin Water Conservancy District
Doug Nielson, Sunrise Engineering

Franz Shakespear, Tropic and East Fork Irrigation Company

Mac Hatch, President, West Panguitch Irrigation Co.

OTHERS PRESENT CONT'D:

Gary L. Peterson, West Point City Council
John Petroff, Jr. Mayor, West Point City
Rick Davis, City Manager, West Point City

Joe Dawson, President, Davis & Weber Counties Canal Co.
Floyd Baham, Manager, Davis & Weber Counties Canal Co.
Tracy Allen, Project Engineer, J U B Engineers

Clyde Bunker, President, Consolidated Sevier Bridge Reservoir

Robert Wood, President, Richland Non-profit Water Company
Brian Wood, Project Manager, Richland Non-profit Water Company
Randy House, Director, Richland Non-profit Water Company
Lance Anderson, Engineer, Richland Non-profit Water Company
Kris Wiese, Designer, Richland Non-profit Water Company

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
June 12, 2003

Chair Warren Peterson welcomed everyone at the meeting and expressed appreciation to the Weber Basin Water Conservancy District for the excellent tour the Board enjoyed on Thursday, June 11 along with a delicious lunch and dinner.

APPROVAL OF MINUTES

Paul Riley made a motion, seconded by Paul McPherson to approve the minutes of the April 24 and 25, 2003 meetings with suggested changes. The Board agreed unanimously.

CHAIR'S REPORT

Chair Peterson welcomed George Harmond, Jr., recently appointed Board member, to his first meeting of the Board of Water Resources. Mr. Peterson asked the Board to study the Board's statute and policies and be prepared to give a critical assessment of what the Board and staff does. He expressed appreciation to each of the Board members and staff and thanked them for making him look good as chair. Ivan Flint said Mr. Peterson had done an excellent job and the Board appreciates all he has done.

DROUGHT REPORT

Todd Adams said he asked Randy Julander of the NRCS to send him a short summary. Randy said the short summary is, "no snow, no water". Mr. Adams showed a Snotel site the NRCS is working on, and there is no snow. Reservoir levels have peaked, and the runoff has been short lived. Statewide average is around 57%.

The Drought Monitor is continually getting worse. At the beginning of the year we were in moderate and now we're into extreme, and the upper corner of the state is in exceptional drought. He said the temperature outlook is for higher than normal temperatures. Brian McInerny of the National Weather Service said they have never seen a drought as bad as it is now.

Mr. Adams said the Governor's Water Conservation Team has been looking at water use throughout the state and said right now it's 7% under what was used last year. People are getting the word and not turning their sprinklers on or didn't turn them on until later in May when it got hot.

Director Anderson thanked Mr. Adams for the presentation. He said the public has responded and there's been a pretty significant reduction. It's hard to keep going down at that type of rate every year as when it's wet we don't use any water, and when it starts getting hot we

use a lot more. It depends on the temperature and how much precipitation is received in the middle of the summer. We need to keep reminding people; they're doing an excellent job.

FEASIBILITY REPORT

#E104 Tropic and East Fork Irrigation Company

Chair Peterson recognized Franz Shakespear, president of the company. Tom Cox reported the company provides irrigation water to about 1700 acres around the community of Tropic and on the Paunsaugunt Plateau north of Ruby's Inn, near Bryce Canyon National Park. Water is diverted from the East Fork of the Sevier River into the Tropic and East Fork Canal. The upper two miles of the canal were lined in 1962 with non-reinforced concrete, which is badly broken up and deteriorated; the remaining stretch of canal is unlined. The company estimates nearly half (approximately 3,000 acre-feet) of diverted water is lost to seepage annually.

The company is requesting technical and financial assistance from the Board to replace the canal with 30" PVC pipe. The project will be built in two phases. The cost estimate for both phases is \$1.690 million. It is requested the Board of Water Resources provide 49% of the project cost. The Upper Sevier River Water Conservancy District through the Central Utah Water Conservancy District (Section 206) will provide 75% of the cost of Phase II.

Harold Shirley made the motion the Board authorize the Tropic and East Fork Irrigation Company project in the amount of \$820,000 (49%) to be purchased at 1.5% interest from the C&D fund over approximately 25 years with annual payments of \$40,000. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

#E105 West Panguitch Irrigation and Reservoir Co.

Chair Peterson introduced Mac Hatch, president of the company. Tom Cox reported the proposed project is located northwest of Panguitch City in Garfield County. The company owns a decreed right to irrigate around 4400 acres in the Panguitch area. The water is stored in Panguitch Lake and diverted into several distribution systems. Over half the land is sprinkle irrigated and the rest flood irrigated.

The 12-mile long, earthen West Panguitch Canal serves farmland west and northwest of the city. The company estimates about 25% of the water diverted into the canal is lost to seepage. It is anticipated that if the canal was piped the flood irrigated acres would be converted to sprinklers, and an additional 300 acres currently not irrigated would be put under cultivation.

The company is requesting technical and financial assistance from the Board to pipe a portion of the West Panguitch Canal. The project is estimated to cost \$708,000, and \$137,000 or 19% is requested from the Board of Water Resources. The Upper Sevier River Water

Conservancy District will provide 75% of the amount and will receive its funds (grant) from the Central Utah Water Conservancy District through Section 206.

The company has received assistance in the past for repairs to Panguitch Lake and three irrigation system projects. The company's water right is described in the Cox Decree and covers the major portion of the flow of Panguitch Creek, and allows for the irrigation of around 4400 acres. The company must ensure all project lands fall within their existing water right and they must complete any change applications and file them with the State Engineer's office.

Director Anderson asked if the 300 acres of new land to be brought under irrigation are within the Cox Decree as all the water is used in the Sevier River. Mr. Hatch said currently under the West Panguitch Canal there are 1889 acres allocated in the decreed water rights in this area. Three hundred of those are probably not going to be irrigated as they are too high up and cannot be pressurized off this system. This leaves about 1500 acres; he said they were not exceeding their decreed water rights and will not be adding new crops. It is property that hasn't been irrigated because of the drought. Mr. Anderson said if water isn't used within five years the right is forfeited. The division staff will work with the company's attorney and the State Engineer's office to guarantee there is not an expansion of rights within the system.

Mr. Hatch thanked the Board for the opportunity. He said the project had been talked about in the company for a lot of years and because of the drought the company determined it needed to do whatever it could to conserve water.

Harold Shirley made the motion to authorize the West Panguitch Irrigation and Reservoir Co. project in the amount of \$137,000 (19%) at 0% interest over approximately 11 years with annual payments of \$9,000 the first year, \$11,000 the second, and \$13,000 thereafter. Paul Riley seconded the motion and the Board agreed unanimously.

#L546 West Point City

Chair Peterson introduced, Rick Davis, manager; Gary Petersen, City Council; Mayor John Petroff, Jr., and Boyd Davis, City Engineer. Gina Hirst reported the city is requesting financial assistance to construct a two million gallon concrete storage tank with booster pumping station, and install pipeline to connect it to the existing system. The system is currently adequate to meet demands, however, additional storage will be necessary as growth continues.

The city has prepared a master plan outlining culinary water projects that will help the system grow from a current service capacity of 7,500 people to 26,000 people at buildout within 20 years. Since 1980 culinary connections have grown at a rate of 6% annually.

Technical assistance is being provided by Gardner Engineering in Ogden. The project is estimated to cost \$1.625 million; the city is requesting the Board participate in an interest rate buydown. Based on the Board's water service affordability guidelines, West Point City residents could pay up to \$39.31 per month. Based on the cost of water the proposed project will cost

\$42.95 per month. West Point City has received funding from the Board on two previous occasions; both have been paid off.

Mayor Petroff said the city is growing fast as over the last three months they have had 20 building permits a month. The West Point-Syracuse areas, and the west side of Davis County are quickly becoming the fastest growing areas in the state. The mayor said they have a city master plan for all its infrastructure needs. It is a pretty detailed plan. There is a time frame for the expenditures within each area (water, storm water, roads) and the city is going forward with them. Chair Peterson complimented the city and said the Board looks to communities to do the very thing West Point is doing (set aside capital reserves for future growth); this helps the Board's money go to communities where the infrastructure isn't in place.

Ivan Flint made the motion the West Point City project be authorized and the Board participate in an interest rate buydown. The market loan of \$890,000 would be repaid in 20 years at 5% interest with the first payment in 2005. The \$410,000 (25%) bonded indebtedness to the Board would be repaid in 12 years at 0% interest beginning in 2007 with payments ranging from \$4,000 to \$80,000 and a final payment of \$9,000 in 2018. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

COMMITTAL OF FUNDS

#E112 Davis and Weber Counties Canal Co.

Chair Peterson introduced Joe Dawson, president; Floyd Baham, general manager; and Tracy Allen, J U B Engineers. Steve Wilde reported the company is requesting financial assistance to construct the first portion of Phase IV of the project, which is a pressurized secondary irrigation system in western Layton.

The Board voted at authorization to provide 85% of the overall project cost, with financial assistance to be returned at 5% interest over not more than 35 years. The remainder of the West Layton project will cost around \$7.25 million and the company will seek funding committals from the Board over the next several years for 85% of that amount.

Floyd Baham said the city is installing a sewer line on Gordon Avenue this year and the company feels the pressurized lines need to be installed at the same time; the city has an ordinance that you cannot dig in the street for at least three years.

Ivan Flint asked Mr. Baham if the loans the company has with the Board of Water Resources are all current. Mr. Baham said yes. Mr. Flint made the motion to commit funds to the Davis & Weber Counties Canal Company in the amount of \$545,000 (85%) to be purchased in 35 years at 5% interest with annual payments of approximately \$33,300. The company is to pay upfront \$97,000 and supply the necessary water right to cover the project. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

Chair Peterson said the company's authorization for further phases will be revisited to determine if the Board will go forward with the 85/15% project share. Mr. Baham said the company appreciates all the Board has done for them.

DAM SAFETY

#C023 Consolidated Sevier Bridge Reservoir Co.

Chair Peterson said he had a conflict of interest as he serves as legal counsel for the company. Steve Wilde reported last December the Board authorized a 95% grant in the amount of \$4.75 million to Consolidated Sevier Bridge Reservoir Company to upgrade Sevier Bridge Dam to meet dam safety standards. The work is being divided into two phases with Phase I being the most critical. That phase includes placement of riprap on the dam's upstream face, construction of a stability berm to make the embankment stable during an earthquake, installation of an outlet works, upstream guard gate and rehabilitation of the existing downstream control gate. The estimated cost of the first phase is lower than at authorization.

Chair Peterson recognized Clyde Bunker, president of the Consolidated Sevier Bridge Reservoir Co. Paul McPherson asked how long it would take to complete the work on the dam after it has been drained. Mr. Bunker said the reservoir will be drained and they plan to start construction August 15, and plan to have it finished by October 1 so they can start storing water.

Mr. McPherson made the motion to commit funds in the form of a grant to the Consolidated Sevier Bridge Reservoir Co. in the amount of \$4.275 million (95%). Brad Hancock seconded the motion and the Board agreed unanimously.

SPECIAL ITEMS

#D887 Carbonville Ditch Co.

The Board authorized the project to help construct a pressurized irrigation system to serve the outdoor watering needs of up to 115 homes in Carbonville. Because the company built much of the project using Bureau of Reclamation salinity control funds, Board assistance is no longer needed.

#D962 Croydon Pipeline Company

The Croydon Pipeline Project was authorized at \$35,000 (36%) to help drill and equip an 8-inch culinary water well. Since then the company has not made progress toward construction, and an RECD grant necessary to make the project affordable has not been obtained.

#D969 East Carbon City

The city requested financial assistance to construct an 80-foot high earth dam to store water for East Carbon and Sunnyside. Since the city shows no interest in proceeding with the project anytime soon staff recommends the application be withdrawn.

#E065 Marion Park Estates

The sponsor requested financial assistance to improve and upgrade its culinary water system. With Board assistance, Marion Waterworks Company is beginning construction on a new 300,000 gallon tank above Marion Park Estates. Because Marion Waterworks has agreed to service homes currently served by Marion Park Estates, and will add a transmission line and fire hydrants for future connections in the area, staff recommends the application be withdrawn.

Ivan Flint made the motion to withdraw the Carbonville Ditch Co., Croydon Pipeline Co., East Carbon City and Marion Park Estates applications from further consideration by the Board. Paul McPherson seconded the motion and it was unanimously agreed upon by the Board.

#E087 Richland Non-profit Water Co.

Chair Peterson introduced Robert Wood, president; Brian Wood, project manager; Randy House, director; Lance Anderson, engineer; and Kris Wiese, engineer. Gina Hirst reported there are several small water systems along the south shore of Bear Lake including Laketown, South Shore Special Service District, and Vista Grande, as well as approximately 100 individual wells serving 180 connections. Since these systems are at or near capacity, there is little or no growth in the area. All of these systems are interested in incorporating into a larger better system with water delivery guaranteed and reasonable costs.

Richland Non-profit Water Company was formed to regionalize the water system and to aid in future development of the area. Rich County and Laketown have resolutions supporting this consolidation and the regionalization of the water system. The company has agreements of intent to participate with the South Shore Special Service District, Vista Grande, Lake Vista, Wood Development and 50 individuals. Thirty-one individuals have reserved a connection in the system and will likely connect within five years.

The Richland Non-profit Water Company is requesting financial assistance to develop a public water system for the south shore of Bear Lake. The project will include a 350,000 gallon storage tank with piping and telemetry, a well, seven miles of transmission and distribution pipeline, water meters, and fire hydrants. Cache-Landmark Engineering in Logan will provide design and construction engineering services.

The project is estimated to cost \$2 million and it is requested the Board provide 17% or \$335,000 of the project cost. Based on the Board's water service affordability guidelines, south shore area residents could pay up to \$34.69 monthly for water. The cost per connection per

month is estimated at \$34.50. The company is planning to charge a base rate of \$32.00 per month per residential connection; overage charges have not yet been determined.

After considerable discussion, Paul Riley made the motion to authorize the Richland Non-profit Water Co. project in the amount of \$335,000 (17%) to be returned in 25 years at 4% interest with annual payments ranging from approximately \$16,400 to \$29,400. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

ELECTION OF OFFICERS

Ivan Flint said Warren Peterson expressed a desire to turn the chairmanship over after one year. He made the motion to nominate Paul Riley for the office of Chairman and suspend all normal rules of the election so Mr. Riley can be appointed by acclamation. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

Paul Riley made the motion to nominate Harold Shirley as Vice-chair of the Board of Water Resources, and suspend all rules of the election so Mr. Shirley could be appointed by acclamation. Ivan Flint seconded the motion. The Board agreed unanimously.

Paul Riley said he looked forward to working further with the Board and staff as he has done the past 6 years. Harold Shirley said ditto.

DIRECTOR'S REPORT

Director Anderson expressed appreciation to Warren Peterson for his service. He's been a very good chair and runs a good meeting and staff has enjoyed the opportunity to work with him. Mr. Anderson said he looks forward to working with Dr. Riley and ex-mayor Shirley. They'll be great leaders and staff will try to work closely with them.

Director Anderson said the Board and selected staff went on a great tour on Thursday and saw many of the Weber Basin Water Conservancy District's facilities. Mr. Anderson said there have been a lot of projects built in the Weber Basin area and reviewed the projects the Board has been involved with.

Mr. Anderson gave the Board three pamphlets that are used in the water conservation area, two of them can be used as billing pamphlets. These are made available to any community that would like to send the pamphlets out with their bill. He said all the videos for the TV spots were made by Merlin Olsen this year. He did six different videos on water conservation that were very unique and entertaining.

A handout was given to the Board explaining the planning activities and highlights on what the division is doing. There are pictures of three division web pages that are on the internet, one on water-wise plants, one on water conservation and one on water education, as

well as a web page on drought. Division staff maintains those and we wanted the Board to know these are available.

Director Anderson expressed appreciation to the Board for everything they do and also to the staff who do a wonderful job.

NEXT MEETING

The next meetings will be August 7 and 8th in Cedar City. There will be a tour August 7 leaving approximately 8 a.m. with a briefing meeting in the afternoon. On the night of the 7th arrangements have been made to attend the Shakespeare Festival. The Board meeting will be held August 8 at 8:30 a.m.

Meeting adjourned at 11:03 a.m.

